



EUROPEAN COMMISSION

*Brussels, 30.5.2017
C(2017) 3532 final*

Dear President,

The Commission would like to thank the Senat for its Opinion on the proposal for a Decision of the European Parliament and of the Council providing macro-financial assistance to the Republic of Moldova {COM(2017) 14 final}.

The objective of this proposal is to support the restoration of a sustainable external financing situation in the Republic of Moldova and the implementation of key reforms in line with the Foreign Affairs Council Conclusions of 15 February 2016.

The Commission is pleased that the Senat shares the view that the proposed macro-financial assistance would not only contribute to improve the balance-of-payment position of the Republic of Moldova, but also to successfully implement the Association Agreement between the European Union and the Republic of Moldova.

The Senat's Opinion was transmitted to the Commission when the negotiations between the European Parliament and the Council on the Commission proposal were still ongoing. Currently, the co-legislators are discussing the specific provisions of the draft legislative decision. The Commission hopes that the European Parliament and the Council will be able to adopt the decision in June 2017.

In response to the more technical recommendations in the Opinion, the Commission would like to refer the Senat to the attached annex and hopes that these clarifications address the issues it has raised.

The Commission looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Pierre Moscovici
Member of the Commission*

*Mr Călin POPESCU TĂRICEANU
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ANNEX

The Commission has carefully considered each of the recommendations expressed by the Senat in its Opinion and is pleased to offer the following clarifications.

i. with regard to the terminology "Republic of Moldova"

The Commission agrees that the term "Republic of Moldova" should be used and has therefore in its proposal clarified in recital 1 that the abbreviation "Moldova" would designate the Republic of Moldova.

ii. with regard to the conditionality of the proposed macro-financial assistance and the specific geopolitical and socio-economic situation in the Republic of Moldova

As indicated in Article 4(3) of the proposal, the Commission will, on behalf of the European Union, agree on specific economic policy and financial conditionality with Moldova in a Memorandum of Understanding.

The Commission will be guided by Recitals 16 and 17 of the Commission proposal when designing the conditionality in this Memorandum of Understanding. According to Recital 16, the Commission will closely cooperate with the European External Action Service in order to ensure consistency with the European Union's external policy in the specific geo-political context of Moldova. Recital 17 provides that this macro-financial assistance should also contribute to a sustainable development and poverty reduction in Moldova and hence address the socio-economic situation in that country.

The above-mentioned provisions of the proposal therefore ensure that the geopolitical and socio-economic situation in Moldova will be taken into account for the conditionality of this macro-financial assistance operation.

iii. with regard to further involvement of Member States in the implementation of this assistance

The Commission proposal envisages that the Committee of Member States established under Article 7 will approve the draft Memorandum of Understanding containing the specific economic policy and financial conditions of this macro-financial assistance operation under the examination procedure. Following this approval procedure, the Commission will implement this Memorandum of Understanding and, more particularly, will proceed with the macro-financial assistance disbursements to Moldova once it fulfils the specific conditions linked to each disbursement and the International Monetary Fund programme remains on track. In case specific questions on the interpretation of the Memorandum of Understanding were to arise, which could potentially block a disbursement, this Committee would be consulted again.

Beyond that, the Council and the European Parliament are informed about every disbursement and the detailed assessment leading to each disbursement.